Impact of Budget in Share Market

3484. SHRI N. GIRIPRASAD : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that the share market showed bearish trend after 1993-94 annual budget presentation;

(b) if so, what are the reasons for this trend;

(c) in what way budget proposals contributed for the downward trend in share prices; and

(d) whether Government wants to intervene to revise the trend ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED) : (a) to (c) The share market has shown a downward rend after the presentation of the Budget for 1993-94. The movement of share prices is determined by several factors such as market sentiment, expectations of the investors etc. There is no objective reason why any of the Budget proposals should have a negative effect on share prices. However, the lack of specific concessions for the capital market in the areas of direct taxes, could have contributed to some decline in the level of share prices, if expectations had built up among investors that such concessions would be offered.

(d) The normal mechanism for regulating the capital market does not involve Government intervening directly in the share market for regulating the level of share prices.

Evation of Taxes by M/s. Royal Distillery Pvt. Ltd.

3485. SHRI RAJUBHAI A. PARMAR: Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that M/s. Royal Distillery Private Limited, 205, Princess Street, Bombay have evaded income tax and excise duty during the last three years resulting in heavy financial loss to Government;

(b) if so, what are the details of cases involving income tax and excise duty filed during the last three years by the above firm; and

(c) whether Government have initiated any proceedings against the said company for violation of various provisions of Income Tax Act and other relevant provisions for evading the taxes and if not, what are the reasons therefor ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY) : (a) to (c) M/s. Royal Distillery Private Ltd. are not manufacturing any excisable goods and hence the question of Excise Duty Evasion does not arise. In regard to income tax, the information is being collected and will be laid on the Table of the House.

SEBI's Request Regarding Shares

3486. SHRI RAMACHANDRAN PILLAI : Will the Minister of FINANCE be pleased to state :

(a) whether Government have received any request from the Securities and Exchange Board of India regarding shares purchased by Government servants from promoters' quota;

(b) if so, what are the details of the said request; and

(c) what action has been taken so far on the issue ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED) : (a) No, Sir.

(b) and (c) Does not arise.

Renewal of Licences of Surveyors

3487. SHRI VISHWASRAO RAMRAO PATIL : Will the Minister of FINANCE be pleased to state :

(a) what is the number of persons granted licences to act as surveyors and the loss assessed by the Controller of Insurance, Ministry of Finance, Department of Economic Affairs, since 1970;